World Chronicle

UNITED NATIONS

PROGRAMME: No. 767 recorded 10 November 1999

GUEST: Karl Paschke
Under-Secretary-General
Office of Internal Oversight Services
United Nations

JOURNALIST: Betsy Pisik, The Washington Times
James Bone, The Times of London

MODERATOR: Michael Littlejohns

OVERSEEING THE U.N.

The Office of Internal Oversight Services, OIOS, was created by the United Nations General Assembly in 1994 to establish a credible, effective, and permanent system of oversight of UN operations. After five years as Under-Secretary-General for Internal Oversight Services, Karl Paschke is preparing to leave his post. In this episode of **World Chronicle,** Mr. Paschke discusses the ways in which OIOS has contributed to making the United Nations a more accountable and better functioning organization.

WORLD CHRONICLE is produced by the Media Division, Department of Public Information, United Nations, New York, NY 10017, U.S.A.

Duration: 28:00"
Executive Producer: Chaim Litewski
Director: Livingston Hinckley
Production Assistant: Corazon A. Icasas

ANNOUNCER: From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues.

Here now to introduce our guest is the host of today's **World Chronicle**.

LITTLEJOHNS: I'm Michael Littlejohns, and this is **World Chronicle**.

In 1994, the United Nations General Assembly established the Office of Internal Oversight Services, OIOS. The aim was to enhance oversight functions within the United Nations, in view of the increased importance, cost and complexity of the Organization's activities, through intensified evaluation, audit, inspection, investigation and compliance monitoring. After five years as Under-Secretary-General for Internal Oversight Services, Karl Paschke is preparing to leave his post. What are his thoughts regarding working at the United Nations and what has, in fact, been achieved by OIOS?

Joining me to talk with Mr. Paschke are Betsy Pisik of *The Washington Times* and James Bone of *The Times of London*.

Mr. Paschke, welcome to **World Chronicle.**

PASCHKE: Thank you.

LITTLEJOHNS: Ambassador Paschke, in the United States, critics of the United Nations are going on forever about the alleged deficiencies, inefficiencies, corruption, wastes, etc., etc., and not only in the United States do these criticisms arise but from your knowledge of other international organizations, which I am sure is quite considerable, the European Union, NATO, Secretariat, and various other international institutions. How would you rate the UN? It's not really quite as bad as they're making out, is it?

PASCHKE: Definitely not. I actually feel that the United Nations is not better and not worse than any other public bureaucracy of some size. It has certain constraints. It has certain specific features that are part of its history, its genesis, its reality. It has multinational and multicultural features that contribute to a very specific management culture. But definitely, it is a bureaucracy like any other. It has ideals. It has aspirations and the people who work here are mostly working very hard. Most of them are honest people. But in any public bureaucracy, there is also a certain number of irregularities and there are certain problems that need to be continuously attended by effective oversight.

LITTLEJOHNS: Now, you broke new ground with OIOS. You are the first Director – Head - of the operation. Some people call you the UN Inspector-General which is a fair term, I guess. How would you rate the way things have worked out? I mean, are you

happy? Do you feel that you made a major contribution to improving the system, introducing a new management culture, getting people on board? In your last report, on your Annual Report, you made some criticisms of the lack of support that you've perceived from some of the Member States and you are also critical of the Budgetary Committee -- the Fifth Committee – of the General Assembly which is not being as supportive as you might have liked. What are your comments on that?

PASCHKE: First of all, I have to say that I am indeed quite satisfied with what we have achieved in the past five years. It was not easy to establish this new element of the management culture of the United Nations in an organization that was not used to that kind of independent, internal oversight for almost fifty years. There has always been oversight, mind you, but it was mainly secured by outside bodies – the Board of External Auditors and the Joint Inspection Unit – but internal oversight is a new element. It is an element that, of course, management in the beginning was not particularly enthusiastic about because no manager likes to be audited. No manager likes to be criticized. No manager likes to be told how to do things better if he feels that he is doing a sterling job. But that's the role of internal oversight and I think we have been able to play this role in a responsible, measured way over the first five years of the existence of this Office and it is my sense, at this point, that we have firmly established this Office now as a part, as an element, as a component of the new management culture of the Organization. I have said before and I am saying it again, I think this is better organization today than it was five years ago and the role that OIOS has played has contributed to this improvement.

PISIK: You talk about the new management culture here but at the same time, in your most recent, perhaps your final report to the General Assembly, you criticized various bodies within the UN of micro managing and also you were pretty blunt in your assessment of Member States' cooperation or willingness to take up some of those Secretary-General's suggestion for various reform proposals and management innovations. Is this something that's a fairly a recent evolution within the Organization or is this something you were aware of when you came in five years ago?

PASCHKE: When I came in five years ago, I certainly was aware of and I had some previous experience with the United Nations as a complex international system. It is after all governed and directed by 188 individual Member States who have first and foremost their national interests in mind as they come together here in New York or in other parts of the

United Nations system and hammer out the guidance for this Organization. This is a very complex process and, therefore, the United Nations as a bureaucracy, as a machinery is working under certain constraints. I have -- I want to make that very clear -- I have not been critical of the Fifth Committee as a body. I have been somewhat critical of the inability of Member States to indeed come to a consensus about certain parts of the United Nation reform that I think are important and Member States have also not been able to always come to a consensus about reform measures that were within the responsibility of the Secretary-General but still needed the blessing of the legislative bodies. But this is a trend that, in my view, is somehow built into the United Nations as a forum, as an international organization, as a body which after all reflects the diversity and also the continuing differences of opinion between different parts of the world.

BONE: Mr. Paschke, before you took up your post, nobody were ever really called to account for anything and we as journalists use to hear all kinds of stories of wrongdoing that we could never quite get to the bottom of because every one was covered up and actually in the years that you've held your post, there were a number of prosecutions of UN staff and because there was prosecution, schemes were exposed and some quite colourful schemes being exposed. I'm thinking of one Cuban-American man in the UN Conference Trade and Development in Geneva who was running training seminars and he would invite all the guests and send out all the airline tickets and book all the hotels and then supposedly have a seminar and then he send the report back to his boss and none of it ever happened and this went for several years and he was pocketing all the money and nobody really figured out that this seminar did not exist. So this kind of things, these phantom seminars actually during your tenure came out and given us a bit more meat on the bones of what UN for waste and corruption is all about. What's your own favourite example of a corrupt scheme that you've come across at the UN?

PASCHKE: First of all, I have to say that I'm happy that I'm flinging the media people who cover the United Nations some more flesh on the bone.

LITTLEJOHNS: Manna from heaven.

PASCHKE: But obviously, as I said before, in any large bureaucracy, you have people who are not only willing to defraud this Organization but also are quite skilful in doing it. There's the gentleman that you have mentioned who was brought before a Swiss Court and was indeed convicted of embezzlement. Not only did he receive a relatively stiff

prison sentence, but he was also obligated to pay back or to have some of his belongings used to recover – for the United Nations to recover.

BONE: As I remember he bought some houses with the proceed and he had to sell the houses to pay back the UN.

PASCHKE: Yes, yes. That is indeed correct and I think in this regard, my Office has indeed made a difference. That we have, not only established firm evidence in this case, we have liaised with the Swiss Court to obtain this verdict. We have just recently obtained another verdict against a former UN staff member who defrauded the Organization of somewhere in the neighbourhood of $800,000 by arranging for inflated air tickets for Blue Helmets.

BONE: Another American, I believe.

PASCHKE: Yes, that was a US citizen.

BONE: They complain a lot, these Americans, but their nationals seem to be making out like bandits as the UN.

PASCHKE: But you see, he was also tried in an American Court and we obtained a conviction on five counts of wire fraud. What I'm happy about in this context is really that the signal that this sends to staff at large and to the outside world.

BONE: Could you just describe for the viewers how that scheme works because it's really interesting when you get in to the nuts and bolts of how this scheme works. So this man was the travel coordinator for the UN forces in the Balkans. He was based on Croatia and he was buying air tickets to move people in and out and some of the airlines, notably KLM, a Dutch airline, are giving some discounts to UN staff and he was charging the UN full price and he was getting kickbacks through cooperation with the travel agent and keeping the difference.

PASCHKE: Yes. However, these were not discounts for the airline ticket but rather for a hundred kilos of excess baggage for which the airlines did not charge – did not intend to charge the United Nations – but somehow the United Nations got charged for it anyway because of the schemes that this chief of the Travel Unit and the travel agent have concocted together.

BONE: The airlines know that the UN travels with a lot of excess baggage, I suppose.

PASCHKE: Well, you may do so but you could also observe that the real point in

this is, that in the two cases that we have just discussed, the internal control were not functioning appropriately. There was too little supervision so that this gentleman in Geneva and this gentleman in Bosnia could get away with their things for a number of years and that is the alarming thing about this and this is I think where my Office has made significant difference.

BONE: These are two quite celebrated cases at the UN because these resulted in prosecutions. Have there been other convictions perhaps that we're not aware of?

PASCHKE: I will have to tell you that we have a number of cases ongoing in court which still await final decision but you also have to understand that court cases are usually quite time consuming. The same, I'm afraid, is also true for the internal disciplinary process in the Organization which kicks in once we have established evidence of irregularities that do not have criminal character but would call for disciplinary action by the Organization. Usually that process takes at least a year or so and that makes it questionable. I am not happy with this but there is no influence that I have on the length of the disciplinary procedures in this Organization.

LITTLEJOHNS: This is **World Chronicle.** Our guest is Under-Secretary-General for Internal Oversight Services, karl Paschke.

Ambassador Paschke, you and James Bone, between you, have identified some of the successes. What about your – what's your biggest disappointment in your five years?

PASCHKE: I have had a few frustrations that I would have to describe as unacceptable delays in response to what we have suggested. In some cases, the recommendations that we have made have not been implemented or some foot dragging has taken place and I'm also not happy with the speed of change in some departments, in some areas, which admittedly are particularly complex and where change does not come easily. The one area which comes to mind as quickly in this context is human resources management. I think human resources management in this Organization is still awkward and tedious and not as it should be in a modern organization.

LITTLEJOHNS: It takes forever to hire people?

PASCHKE: It still takes too long a time although, as a reaction to one particularly explosive report we wrote the time for hiring has been – already been significantly reduced. It can be further reduced.

LITTLEJOHNS: How about firing. Is that difficult, too?

PASCHKE: Firing is almost impossible in this Organization, I have found out, and that is one other area where I feel reform is needed. We have made human resources management one of our more recent priorities for oversight which really means that we're not looking into irregularities but rather that we do what we believe we should be doing if more than detecting irregularities. We are trying to be proactive. We are trying to be consultants to management and we are helping OHRM to indeed streamline their procedures, get rid of the huge amount of rules and regulations that have, because of their size and their dimension, ceased to be a guidance to people but are rather confused the Organization.

PISIK: And you mentioned your disappointment with internal disciplinary procedures here, I wonder if you could explain why that's such a problem here. Why is it the Organization isn't more willing to get rid of the bad apples or take steps to streamline process that's already in some ways are out of control. Is this something that you've discussed with Secretariat and OHRM.

PASCHKE: Oh yes of course but ...

PISIK: Do the missions get involved to protect their ...

PASCHKE: No, not really. The internal disciplinary process is something that has evolved over the years and has, in my view, evolved in a somewhat exaggerated way. I'm certainly very much for the protection of individual rights but I think there has to be a balance between the protection of the right of a staff member and the protection of the rights of the Organization. I don't think that individual staff members should be able to milk the Organization while not doing their work, by developing situations that clear them indeed become part of a long drawn out process of complaints and ...

LITTLEJOHNS: with unfair dismissals and challenges ....

PASCHKE: Unfair dismissals, yes, yes. I think indeed this Organization will be better off if these procedures were also streamlined and if the whole disciplinary process were to become more rational.

LITTLEJOHNS: You have another question?

PISIK: Actually, I wanted to follow up – your Organization has recovered about 70 million, I guess. I'm wondering how long it takes to get this money in and how it's put back into the Organization. What do you do with it.

PASCHKE: All right. First of all, the exact amount that we have identified for savings and recoveries over the past five years is 120 million. Of this 120 million, 70 million

have indeed already been recovered. The recovery sometimes takes time because these are sometimes overpayments, or these are payments that have been disputed. These savings obviously then are returned to the budget and they are not pocketed by any individual part of the Organization, let alone by OIOS. We are not making money. This goes back into the coffers of the United Nations Secretariat and is put to good use.

BONE: I'm sorry to hear about your commission (laughter) ... A lot of the problems you've had over recent years seem to have been involving peacekeeping missions. Of course there was a great expansion of peacekeeping missions at the end of the Cold War in the early '90s and then there was the rapid falling off after what happened in Somalia and in Bosnia. Now there's a certain amount of revival. Of course when people set up peacekeeping missions, there's the scramble to get all these expensive equipment there and troops and communications and everything. Is there something that can be done better by the UN or are people now learning how to monito .... actually each mission now has some kind of oversight itself.

PASCHKE: Well, let me explain what we did in this regard. First of all we've, from the first day on so to speak, identified peacekeeping as one of the priorities for oversight for these reasons: peacekeeping usually happens in a risky environment; another reason is it happens under time pressure as you mentioned yourself; and third, it is costly. So there is ample reason to provide comprehensive and intensive oversight particularly to peacekeeping.

BONE: And by that time, I think, the peacekeeping budget is bigger than the UN administrative budget.

PASCHKE: Absolutely. It was actually, I guess, twice the size of the regular budget. So what we did early on was I took the decision to despatch resident auditors to the larger peacekeeping missions and see to it that all the other smaller missions were visited by our audit teams at least once a year and we have continued to consider peacekeeping one of our top priorities. One of the pressures that we have quite focussedly put on the Department of Peacekeeping Operations was to create a Lessons Learned Unit so that from past mistakes, lessons could be learned -- that checklists would be established, that inventory lists would be established so that many of the causes for wastes and for recurrent wastes would be stopped. We have been quite successful on this. Still peacekeeping continues to happen in a rather hectic and risky environment and, therefore, Oversight has to be there on a continuous basis and we will continue ....

BONE: Sometimes the measures seem to be very simple. For instance, I remember in one of your reports you're talking about the problem of UN vehicles being stolen. Of course, a nice big Land Cruiser painted white with UN on the side in one of the trouble spots, is a rather attractive target. I seem to remember you have some system installed -- locker or some kind of combination lock -- in the vehicle or something to make it less easy for people to steal the vehicle.

PASCHKE: That was one feature that we suggested and that was indeed installed. The other -- or combined feature was -- that indeed only those authorized to ride the vehicle could do so by sliding a card through a certain devise which then also register the mileage and the consumption of gas which then could be better calculated and it could be insured.

BONE: In places where there is a shortage of petrol and gasoline, people will sell UN fuel and take the money and use it.

PASCHKE: Indeed. That also happened and also of course UN members sometimes have the tendency to use the vehicles also for private trips and that of course had to be overseen and have to be avoided.

LITTLEJOHNS: Ambassador Paschke, how would you summarize your five years in the UN system? Has it come up to what you thought it would be or has it been something which you would rather not have done?

PASCHKE: I have been the United Nations Ambassador of Germany to the Organization in Vienna in the '80s so I had a pretty good idea of what I was in for, at least as far as the UN as an environment was concerned. I have been, throughout these five years, extremely proud to be able to serve this Organization because I think it is an organization that is indispensable, very important and will continue to play a pivotal role in world development. I felt that my own assignment was complex, difficult, sometimes frustrating but also quite rewarding and I have to say that the people I have worked with have been professionally very convincing and I've had many very pleasant experiences also in my interaction with my colleagues here.

PISIK: Are there any particular agencies, funds or programmes that you would look at or perhaps recommend to your successor to keep an eye on? For example those that do a lot of work in the field like UNHCR .....

LITTLEJOHNS: UN High Commissioner for Refugees.

PISIK: I'm sorry, that's right ... among others, World Food Programme ....

these are places that you have started to institute I think regular audits for. Is there anything in particular that you would outline there?

PASCHKE: Well, I have to say as I said in an earlier context that yes, indeed, oversight is particularly important in the field. So those organizations that, first of all, handle a lot of money and secondly are very field oriented, indeed deserve to be overseen particularly, astringently and comprehensively. We are providing these in cooperation with the internal oversight services that exists in the larger parts of funds and programmes. You have mentioned the United Nations High Commissioner on Refugees. They have their own oversight body, but as far as auditing is concerned, my Office directly provides oversight to them. So we work hand in hand and I think the same is true for UNDP, for UNICEF and all the other ....

LITTLEJOHNS: UNDP – UN Development Programme.

PASCHKE: Yes ... so I think these organizations indeed deserve to be overseen very astringently and this does happen now. It happens because OIOS has set a good example in the United Nations for the past five years.

LITTLEJOHNS: Mr. Paschke, that's all the time we have and I'm sure we wish you well in your future career in the German Foreign Service. Thank you for being with us on this edition of **World Chronicle.**

Our guest has been Under-Secretary-General for Internal Oversight Services, Karl Paschke. He was interviewed by Betsy Pisik of *The Washington Times* and James Bone of *The Times of London.*

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle.**

ANNOUNCER: Transcripts of the program may be obtained free of charge by sending a stamped self addressed envelope to **World Chronicle**, United Nations, Room S -827, New York New York 10017.

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